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August 30, 2002

Via Hand Delivery

Ms. Karen Nickerson
Commission Secretary
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, DE 19904

**Re: In the Matter of the Inquiry Into Verizon Delaware Inc.'s Compliance
With the Conditions Set Forth in 47 U.S.C. § 271(c), Docket No. 02-001**

Dear Ms. Nickerson:

In Phase I of its proceeding setting rates for Verizon Delaware Inc.'s (Verizon DE's) Unbundled Network Elements, the Commission adopted rates for unbundled switching using the TELRIC methodology.¹ Certain parties have raised concerns about Verizon DE's switching rates in the proceeding before the Federal Communications Commission to consider Verizon's application for long distance authority in Delaware.

While Verizon DE continues to believe that its UNE switching rates are TELRIC-compliant, in order to resolve those concerns, Verizon DE is reducing its unbundled switching rates 31%. Specifically, Verizon is reducing its originating unbundled switching rate from \$.003634 to \$.002507 and its terminating unbundled switching rate from \$.001927 to \$.001330. These rate reductions will be effective immediately.

These new switching rates will be applicable to all CLECs operating in Delaware and shall remain in effect until the Commission otherwise modifies the rates.

All CLECs will be notified of this change by a change management notice that will be distributed via E-MAIL.

¹*In the Matter of the Application of Bell Atlantic-Delaware, Inc. for Approval of Its Statement of Terms and Conditions under Section 252(f) Of The Telecommunications Act of 1996*, PSC Docket No. 96-324, Findings, Opinion and Order No. 4542, dated July 8, 1997 ("Phase I Order"). This portion of the Commission's Phase I was affirmed on appeal by the United States District Court for the District of Delaware. *Bell Atlantic-Delaware, Inc. v. McMahon*, 80 F. Supp. 2d 218 (D. Del. 2000).

Please do not hesitate to contact the undersigned should the Commission require further information about this matter.

Very truly yours,

Julia A. Conover

JAC/meb
Enc.

cc: Via E-Mail and UPS Overnight Delivery
Attached Certificate of Service